[Mr. R. N. Arogyaswami Mudaliyar] [29th January 1931

" Our present Settlement Officer calculates the increase at 119 per cent.

'*Prima facie*, therefore, he suggested the maximum increase of 33 per cent could easily be justified. But he recognized of course that there are two other factors which cannot certainly be ignored, that is to say, the contemporaneous increase in the cost of production and the uncertainty in prices. Admitting that some allowance might be made for these factors and finding, as is only to be expected, that on such lines he had no means of calculating even approximately what the allowance should be, he proposed to reduce the 33 per cent to 25 per cent. He might as well have suggested 20 or 15 or 10, the whole thing being guess work, and as the Settlement Commissioner expresses it in his forwarding report he left " the main door of the fort wide open ". One of the main grounds of attack against the present settlement has been that the years 1914 to 1924 were abnormal years, and as we have had the advantage of observing the course of prices for a further period of four years since then, we propose to make a few remarks on that aspect of the subject.'

" The Commissioners then go on and finally they say: ' The price now reached by rice in Bardoli is exactly what it was in 1914 '. The price now obtaining in the deltas is about the price that obtained in 1893. They further state: ' So far as the available figures can be relied upon, therefore, they appear to show not only that the high prices prevailing in the decade 1914—1924 were abnormal but further that in case of food-grains at any rate a permanent increase over pre-war prices need not be expected to be very marked. . . '

" I would also draw the attention of the House to Mr. Anderson's remarks in his book ' Facts and Fallacies '. Mr. Anderson (the Settlement Commissioner of Bombay) says:

' The rates for food-grains from 1818 to 1836 fell to only half what they had been in 1800—1818 (a great factor was the rapid increase in cultivation). And hence the ryot suffered when on a fixed cash assessment prices fell. He was caught by the back of the two-edged sword. Soon after the American Civil War, 1862-63, the same phenomenon was repeated. High rates were justly fixed on high prices and rents; but it was forgotten they might fall."

So has the Madras Government forgotten, as the Bombay Government forgot once. He goes on to say:

' We are witnessing the same phenomenon after the Great War of 1914—1918. Prices and rents soared high and are now falling. The rates fixed from 1918 to 1928 have all been just and right on the prices and rents at that time. But they will soon be too high (or higher than intended) because prices seem to be falling; a few more good seasons might ruin the landholders.'

" May I also add that if Government persists in this policy of insisting on Rs. 258 as the commutation rate, the ryots of the districts concerned are certainly going to be ruined. Considering the price that I have already quoted as obtaining at present, the increase over the previous resettlement rate of Rs. 118 per garce is only 21 per cent as against 119 that is claimed by the Settlement Officer. As I say, therefore, if you consider the present price of a garce and the future price of a garce, the whole structure of Government's resettlement proposals must fall to the ground.

" Then, Sir, I will come to another important question, namely, the question of cultivation expenses. Under the settlement rules, I suppose, one can excuse the resettlement officer for not going into details —under the rules he is not bound to go into the details of the cost of